Employee well-being and productivity – case Nordea

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“Happy productive worker”-hypothesis: employees with high job satisfaction are more productive in their work tasks compared to less satisfied counterparts (Wright & Cropanzano, 2004).
Linkages between employee wellbeing and performance are weaker when using objective performance measurement compared to subjective measurement (Nielsen et al., 2017)

How we measure employee wellbeing and productivity?

- Work engagement was associated with better productivity among dentists (measured by amount of paid procedure fees) (Hakanen & Koivumäki, 2014)
- Higher level of emotional exhaustion was related to both weaker productivity and customer satisfaction on organizational level (n=81) (Taris & Schreurs, 2009)
- Objective performance is measured dominantly on aggregated organizational rather than group (e.g. team) or employee level (Nielsen et al., 2017)
The linkages between employee wellbeing and productivity—Case Nordea.

- A questionnaire from employee well-being, job resources and demands (n=643), 5-6/2017
- The productivity was measured in four job roles within 3/2017-2/2018 (n=300)
Theoretical background
Two dimensions of employee wellbeing

Work engagement

"At my work, I feel bursting with energy”

Emotional exhaustion

"During my work, I often feel emotionally drained”
Productivity = \frac{inputs}{outputs}

quantities of outputs in relevant for job roles (e.g., sales of mortgages, life insurances)
## How employee wellbeing (work engagement/emotional exhaustion) affects productivity?

<table>
<thead>
<tr>
<th>Job role</th>
<th>Work engagement (adjusted)</th>
<th>Total $R^2$</th>
</tr>
</thead>
<tbody>
<tr>
<td>24/7-service adviser (n=78)</td>
<td>.115</td>
<td>.109†</td>
</tr>
<tr>
<td>Financial adviser (n=102)</td>
<td>-.023</td>
<td>-.019</td>
</tr>
<tr>
<td>Financial adviser (online) (n=46)</td>
<td>-.028</td>
<td>.001</td>
</tr>
<tr>
<td>Wealth adviser (n=64)</td>
<td>.251†</td>
<td>.031†</td>
</tr>
</tbody>
</table>

*p < .05, †p < .10

¹Adjusted for the length of work experience

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<th>Job role</th>
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</thead>
<tbody>
<tr>
<td>24/7-service adviser (n=78)</td>
<td>-.331**</td>
<td>.199**</td>
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<tr>
<td>Financial adviser (n=102)</td>
<td>-.141</td>
<td>.000</td>
</tr>
<tr>
<td>Financial adviser (online) (n=46)</td>
<td>.026</td>
<td>.000</td>
</tr>
<tr>
<td>Wealth adviser (n=64)</td>
<td>-.219†</td>
<td>.018†</td>
</tr>
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</table>

***p < .001, **p < .01, †p < .10

¹Adjusted for the length of work experience
The chart shows the percentage of financial advisers, wealth advisers, and 24/7 service advisers who reported feeling "seldom or occasionally exhausted" or "at least quite often exhausted".

- Financial advisers: 96% seldom or occasionally exhausted, 100% at least quite often exhausted.
- Wealth advisers: 81% seldom or occasionally exhausted, 100% at least quite often exhausted.
- 24/7 service advisers: 74% seldom or occasionally exhausted, 100% at least quite often exhausted.
Technostress creators - threat to productivity?

Technostress creators (i.e., techno-overload) decrease productivity by

- Increasing emotional exhaustion
- Decreasing technology-enabled performance

The data comprise two job roles 24/7 service advisers and wealth advisers (n=142)

Eskelinen, J. et al., Estimating the impact of technostress on employee productivity – an objective performance measurement approach. Unpublished manuscript.
Implications

Prevent emergence of emotional exhaustion – develop employee wellbeing and productivity systemically

Pay attention to changing work practices due to technology implementation and develop needed competences
Possibilities to increase productivity by developing employee wellbeing – financial industry as an example

The share of financial service employees with emotional exhaustion¹ 30 %

The level of productivity 20 % lower compared to not exhausted²

The loss of productivity in a present situation 30 % x 20 % = 6 %

The share of financial service employees with emotional exhaustion
Target/goal 10%

Tuottavuus 94 %

The loss of productivity in a target situation 10 % x 20 % = 2 %

Prospect of increasing productivity from a present

(6 % - 2 %) / 94 % = 4.2 %

The increased productivity increases sales.

The share of profit increase without additional contribution.

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¹ T-Media/Finanssiala ry 2014 (28 %)
² Indicative. Tuottavuusvaikutus riippuu mm. työtehtävästä